

MAKE THE
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BLE**

ERSTE CEE INNOVATION CONFERENCE 3RD EDITION

May 26, 2021

SAFE HARBOR STATEMENT

Forward-looking statements involve risks.

This company presentation contains various statements concerning the future performance of STRATEC. These statements are based on both assumptions and estimates. Although we are convinced that these forward-looking statements are realistic, we can provide no guarantee of this. This is because our assumptions involve risks and uncertainties which could result in a substantial divergence between actual results and those expected.

It is not planned to update these forward-looking statements.

AGENDA

1. OVERVIEW AND BUSINESS MODEL
2. THE IVD MARKET
3. FINANCIALS
4. OUTLOOK AND STRATEGY

OVERVIEW AND BUSINESS MODEL



OVERVIEW AND BUSINESS MODEL

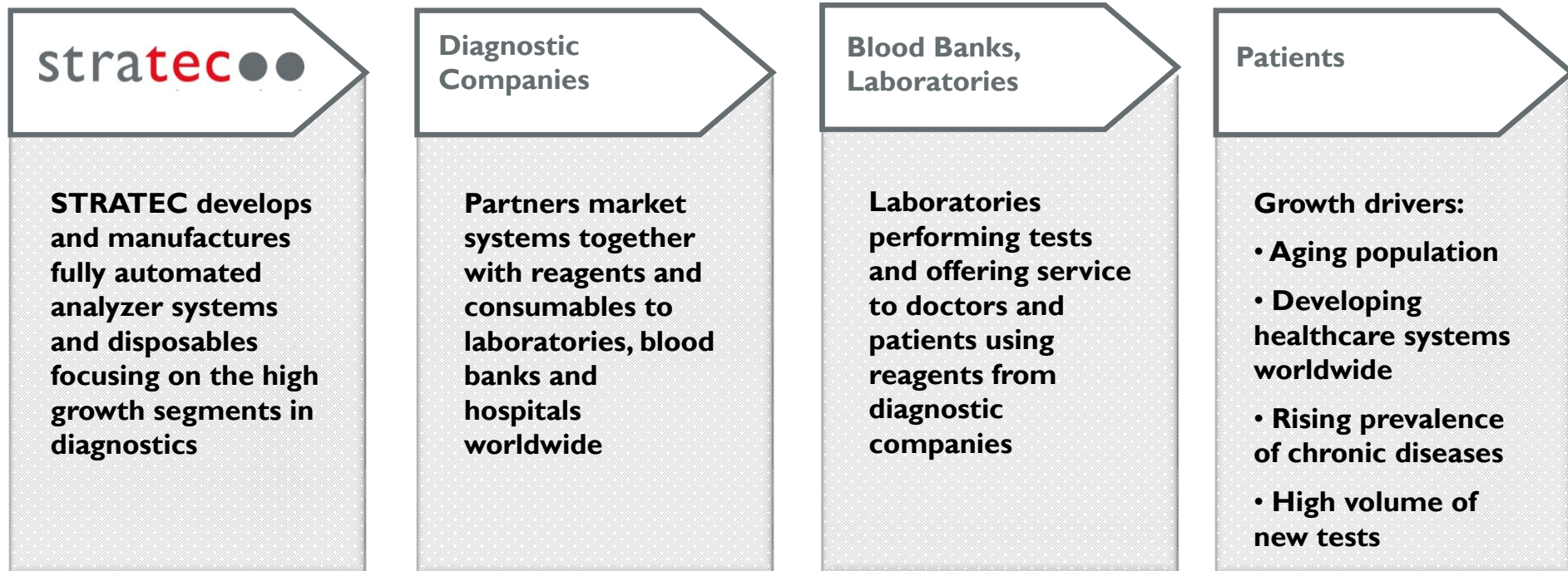
STRATEC AT A GLANCE

- Leading OEM player for automation solutions for the diagnostics industry and translational research
- Three decades of experience in highly regulated healthcare markets and growing technology pool
- Around 1.300 employees worldwide
 - ~ 50% allocable to R&D
- Production sites in Germany (HQ), Switzerland, Hungary and Austria
- High number of systems installed globally
 - More than 13,000 medium to high throughput systems
 - More than 25,000 low throughput systems
- Sales of € 250.1 million in 2020
 - CAGR sales since IPO in 1998: ~15%
- Dividend payments raised over 17 consecutive years*



OVERVIEW AND BUSINESS MODEL

UNIQUE MARKET POSITION STRATEC IN THE IVD VALUE CHAIN



OVERVIEW AND BUSINESS MODEL

BUSINESS MODEL

STRATEC provides instrumentation, consumables, software and automation solutions

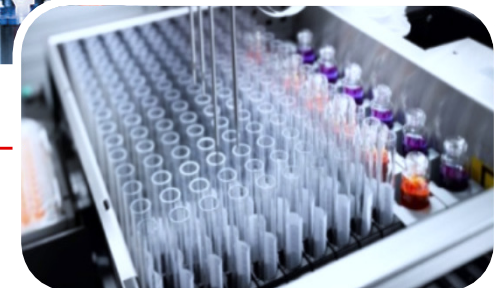
- OEM development and manufacturing
- More than 8,000 fully automated analyzer systems and modules manufactured annually
- Wide range of intellectual property rights

Extensive collaboration with partner during design phase

- STRATEC: Engineering / automation, software, QM
- Partner: System / reagent / market requirements

Systems have long market lifecycles

- Product lifecycles typically in an area of 12 to 15 years
- Leads to longstanding partnerships
- Expanding installed base of systems
- Product enhancement and extension drives value



OVERVIEW AND BUSINESS MODEL

SECURING RETURN ON INVESTMENT

Long-term agreements with partners

- Milestone payments during development stage
- Operating sales during series production stage
- Recurring sales from service parts & consumables sales

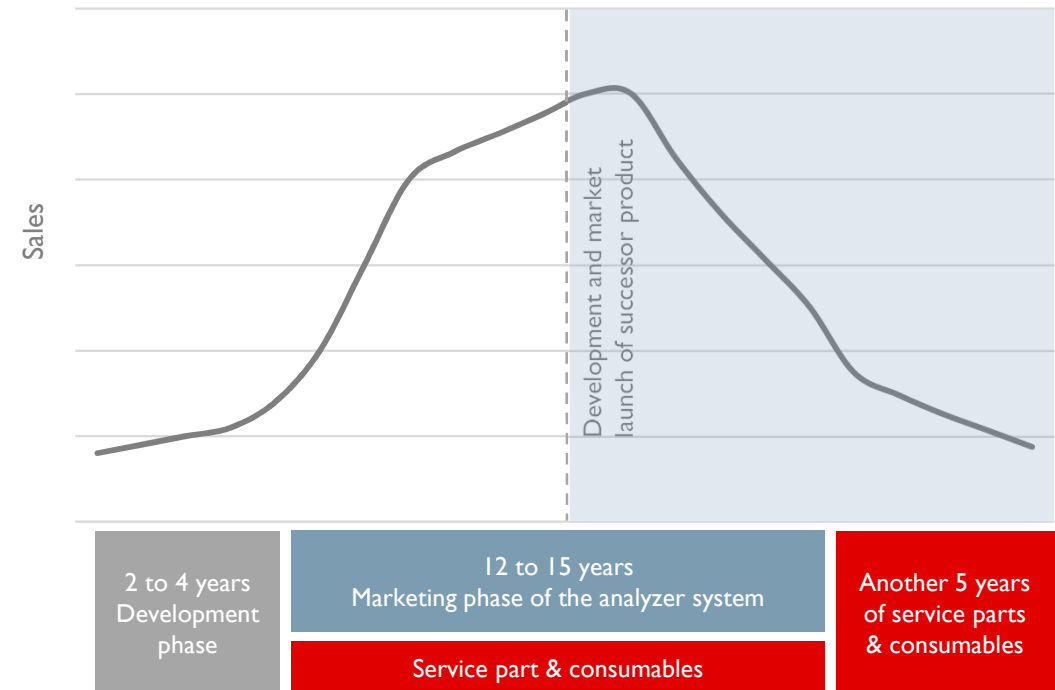
Minimum volume commitment

- Firm purchase orders
- STRATEC an integral part of partners' plans

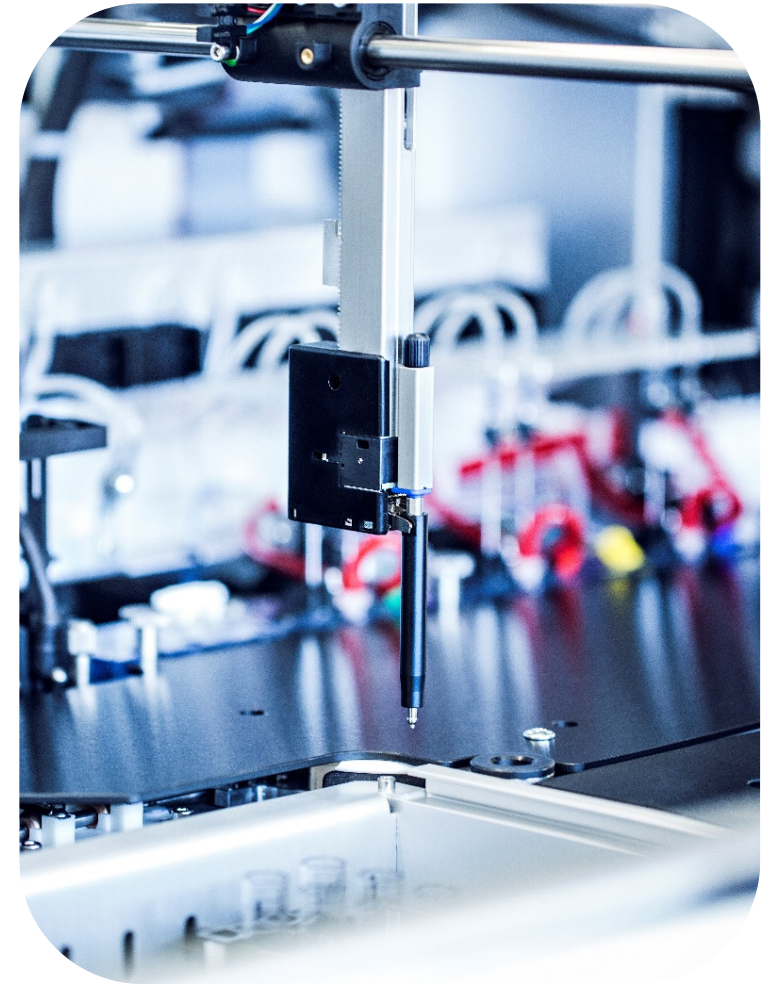
Reliable partnership

- Shortened development time
- Integration of analyzer system and reagents
- Agreed development budget & transfer price
- High commitment by both partners

INDICATIVE SALES CHARACTERISTICS OF AN ANALYZER OEM PROJECT



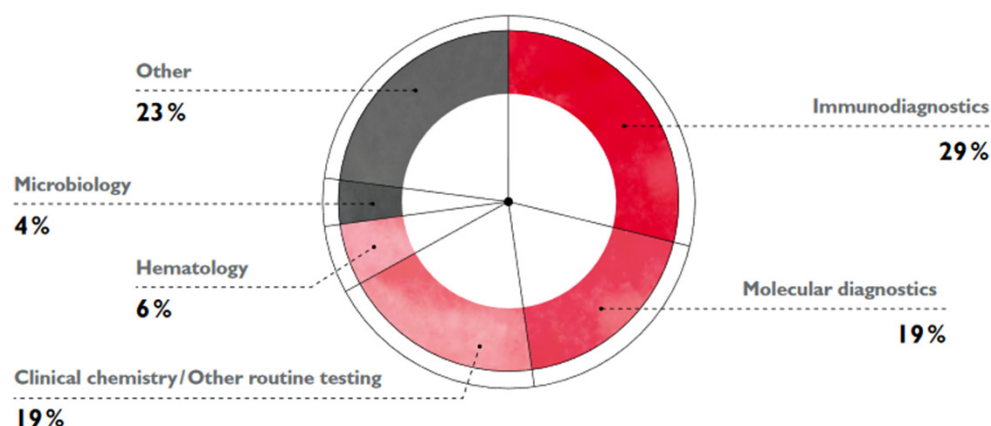
THE IVD MARKET



THE IVD MARKET

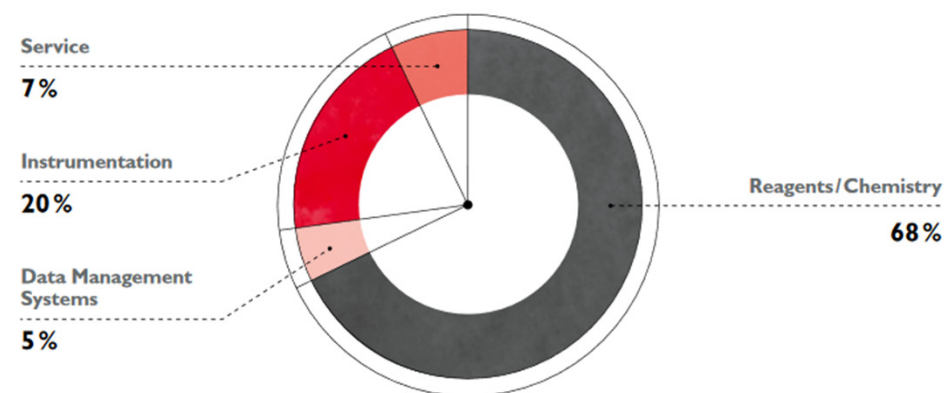
IVD MARKET SEGMENTS / IVD MARKET: ~ 85 BILLION USD IN 2020

IVD market by technologies



STRATEC's main technologies

IVD market by product category



Total instrumentation market ~ 17 billion USD

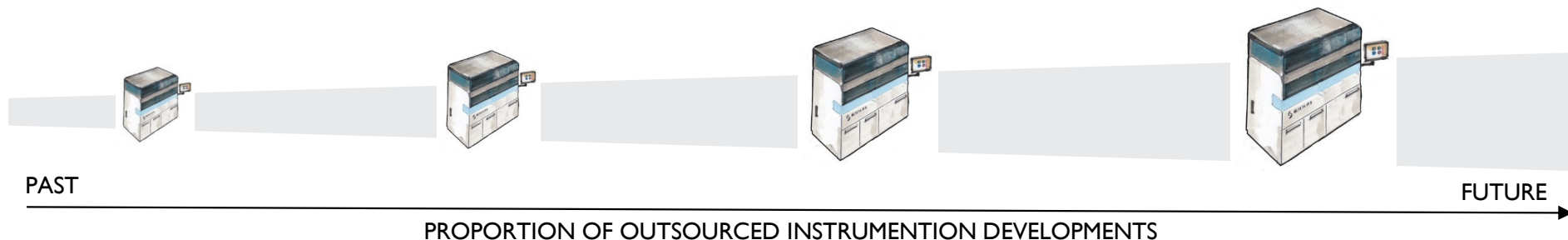
Growth drivers

- Aging world population
- Rising prevalence of chronic diseases
- Expansion in healthcare systems, especially in emerging markets
- New technologies broadening scope of IVD applications (e.g. oncology, personalized medicine or non-invasive prenatal testing)
- Increasing automation

THE IVD MARKET

OUTSOURCED VS IN HOUSE INSTRUMENTATION MARKET

- The majority of instrumentation equipment in the IVD market is still developed in-house by diagnostics companies
- Share of outsourced developments has already increased significantly over the last couple of years
- Trend of outsourcing towards specialized players set to continue, due to:
 - Engineering of automation solutions often not core competence of diagnostics companies
 - Shorter development timeframes due to already existent technology pools
 - Guaranteed project budget and firm transfer prices
 - Keeping up with regulatory developments easier for specialized players
 - Structured processes in order to address end customer needs, such as ease of use, user experience, workflow efficiencies, remote access, serviceability and preventive maintenance



THE IVD MARKET

A SELECTION OF STRATEC CUSTOMERS

GLOBAL TOP 20 IVD COMPANIES		Sales 2020 (USD billion)
1.	Roche	14.8
2.	Abbott	10.8
3.	Danaher	7.4
4.	Thermo Fisher	5.3
5.	Siemens Healthineers	4.7
6.	BECTON DICKINSON	3.3
7.	bioMerieux	3.0
8.	Hologic	2.9
9.	Sysmex	2.8
10.	Perkin Elmer	2.1
11.	Ortho Clinical Diagnostics	1.9
12.	Quidel	1.7
13.	BIO-RAD	1.3
14.	CH Werfen	1.3
15.	Shenzhen Mindray	1.3
16.	DiaSorin	1.1
17.	Agilent Tech	1.1
18.	Seegene	1.0
19.	Grifols	0.9
20.	Qiagen	0.9

... AND OTHER GAME-CHANGING COMPANIES

Quanterix™



■ STRATEC customer

□ Not a STRATEC customer

Source: IVD News / non-public companies estimated / non-reported sector sales estimated

FINANCIALS

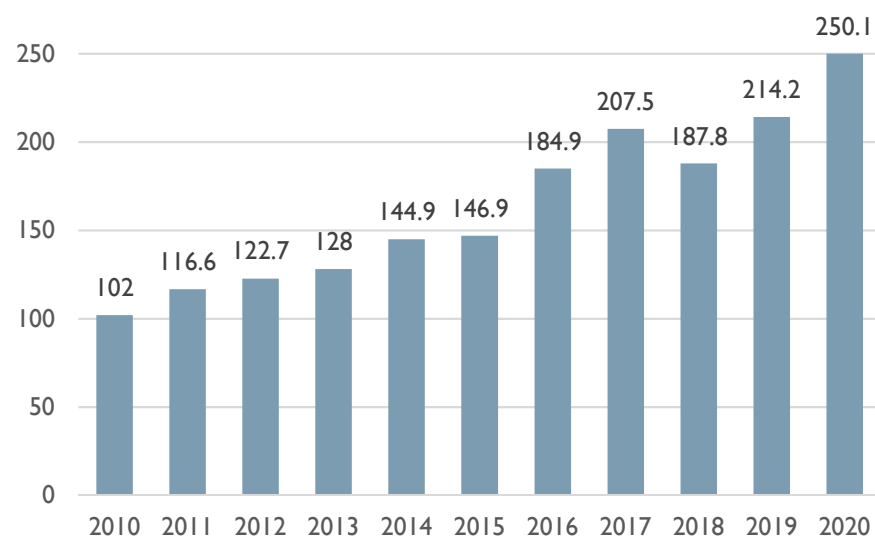


FINANCIALS

KEY FIGURES - TRACK RECORD

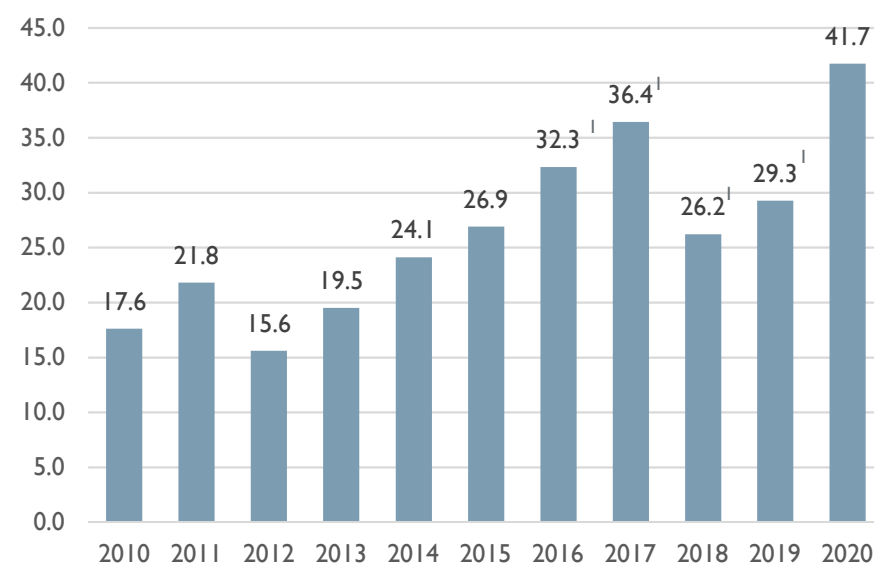
Sales in € million

CAGR ~9%



EBIT in € million

CAGR ~9%



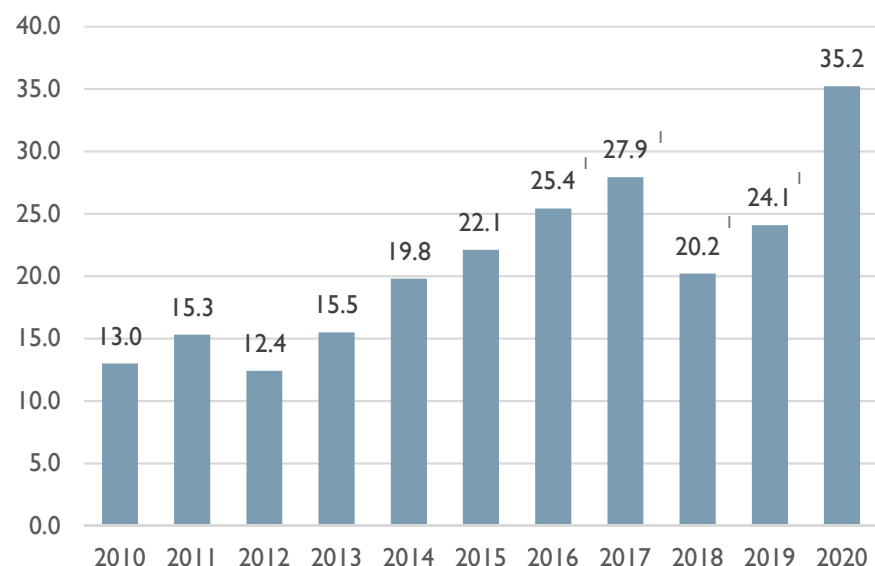
¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

FINANCIALS

KEY FIGURES - TRACK RECORD

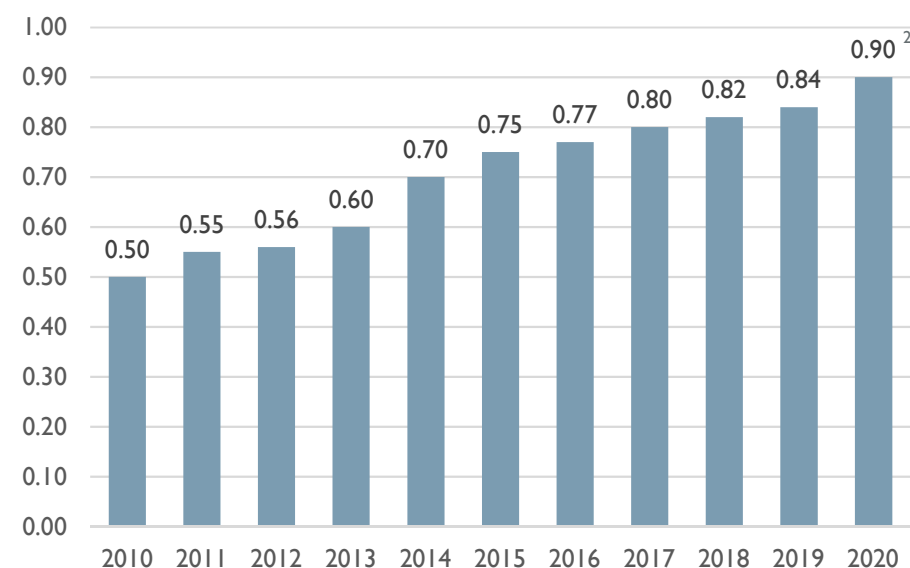
Net income in € million

CAGR ~10%



Dividend per share in €

CAGR ~6%



¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

² Subject to AGM approval

FINANCIALS

FINANCIALS AT A GLANCE Q1 2021¹

€ 000s	Q1 2021	Q1 2020	Change
Sales	71,995	56,504	+27.4%
EBITDA	18,840	10,142	+85.8%
EBITDA margin (%)	26.2	17.9	+830 bps
Adjusted EBIT	16,045	7,658	+109.5%
Adjusted EBIT margin (%)	22.3	13.6	+870 bps
Adjusted consolidated net income	13,147	6,246 ²	+110.5%
Adjusted basic earnings per share (in €)	1.09	0.52 ²	+109.6%
Basic earnings per share IFRS (in €)	0.95	0.37 ²	+156.8%

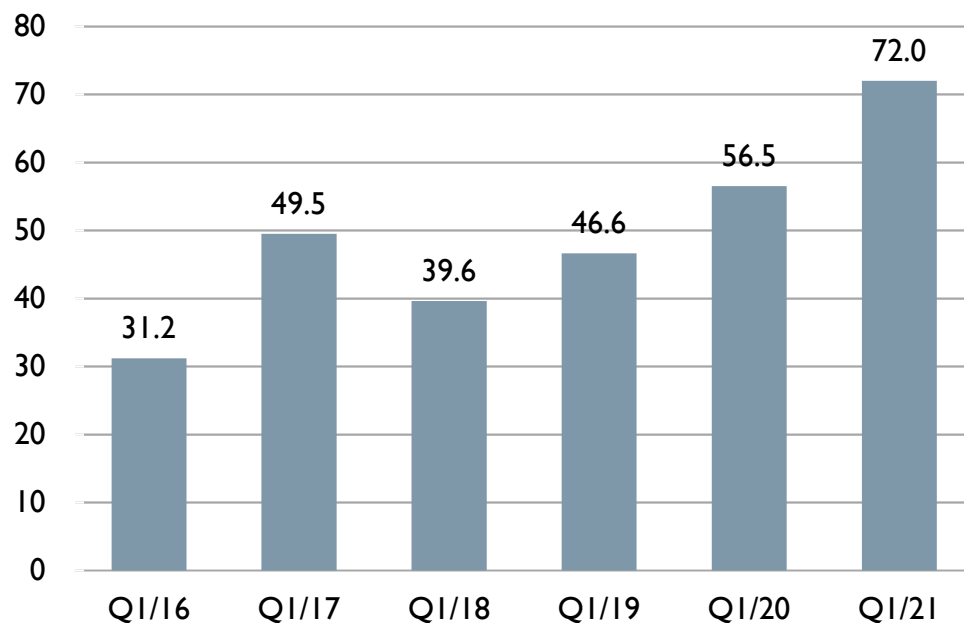
bps = basis points

¹ For comparison purposes, adjusted figures exclude amortization resulting from purchase price allocations in the context of acquisitions.

² Result from continuing operations.

SALES Q1 2021

In € million

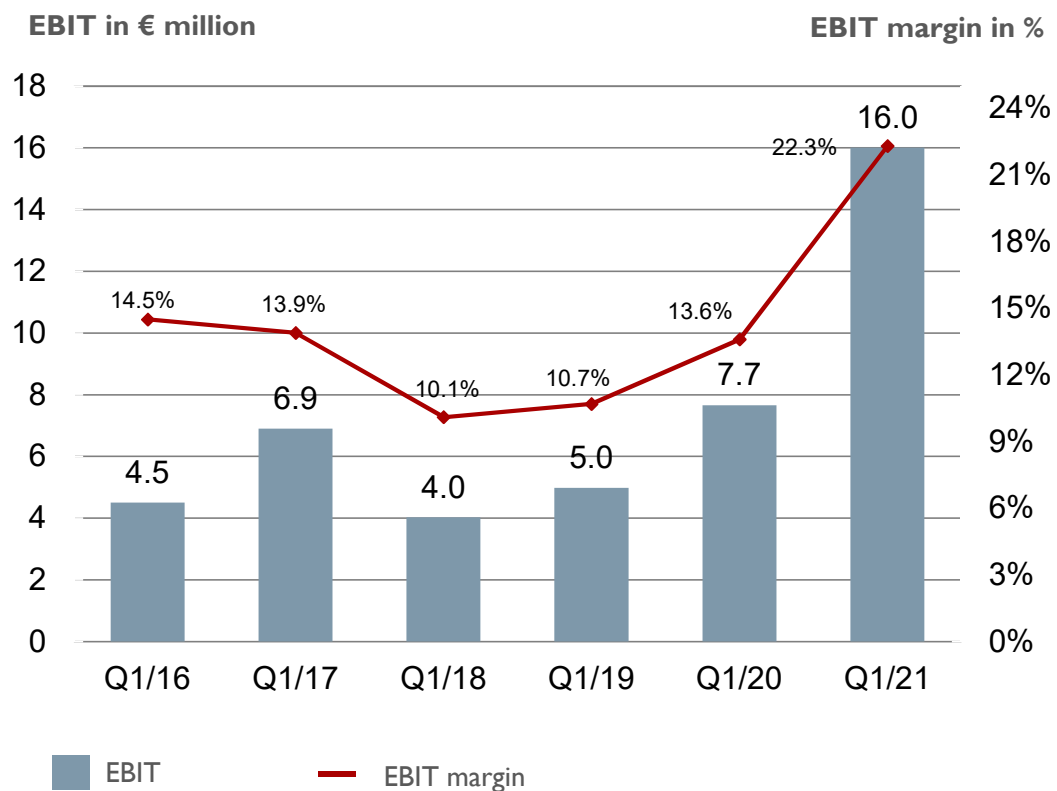


As of March 31

Q1 2021 sales up 27.4% yoy to € 72.0 million
→ +32.5% at constant currency

- (+) Continuously high demand for molecular and immunoassay solutions
→ Strong business with Systems as well as Service parts & Consumables
- (+) Single-digit growth with Development and Services sales
- (-) Ramp-up curve of newly launched products tampered by pandemic-driven reallocation of priorities

ADJUSTED EBIT AND EBIT MARGIN Q1 2021



Q1 2021 adjusted EBIT up by 109.5% yoy to € 16.0 million

Q1 2021 adjusted EBIT margin up by 870 bps yoy to 22.3%

(+) Economies of scale

(+) Sales/product mix

(+) Efficiency enhancements

As of March 31

FINANCIALS

CASH FLOW AND NET DEBT Q1 2021

€ 000s	Q1 2021	Q1 2020	Change
Cash flow – operating activities	14.0	3.2	+337.5%
Cash flow – investment activities	-4.3	-7.1	n/a
Cash flow – financing activities	-1.3	14.5	n/a
Free cash flow	9.7	-3.9	n/a

- Strong improvement in operating cash flow dynamics but still elevated inventory needs
- Lower investment spending following completed construction work for expansion of building capacity at HQ (investment ratio¹ at 6.0% of sales)
- Net debt down by 8.5%
Net debt / LTM EBITDA of 1.2x

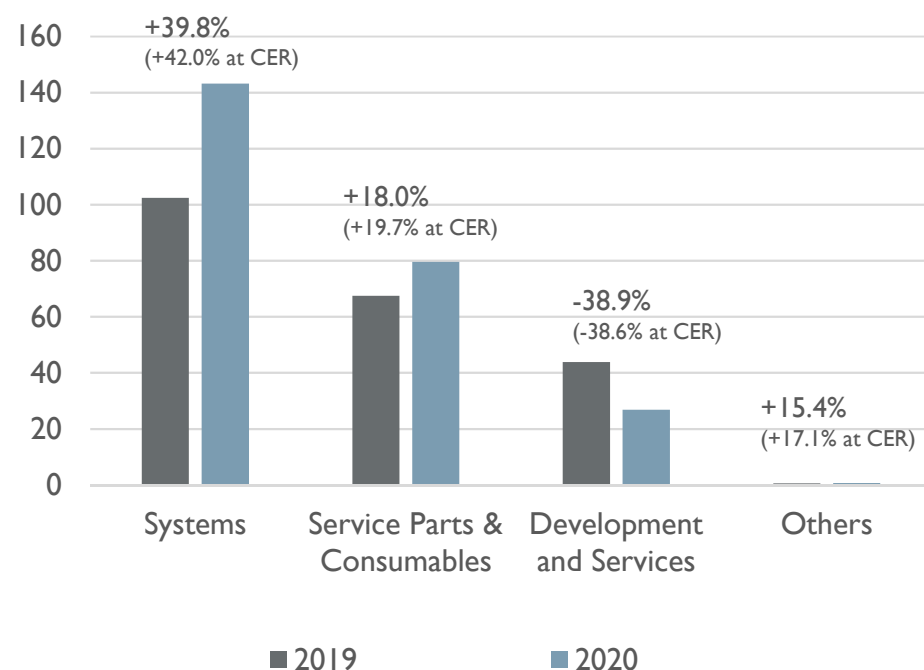
€ 000s	Q1 2021	FY 2020	Change
Cash and cash equivalents at end of period	45.7	37.6	+21.5%
Equity ratio (%)	51.3	52.0	-70 bps
Net debt	75.7	82.7	-8.5%

¹ Total investments in intangible and tangible assets in % of sales
LTM = Last twelve months

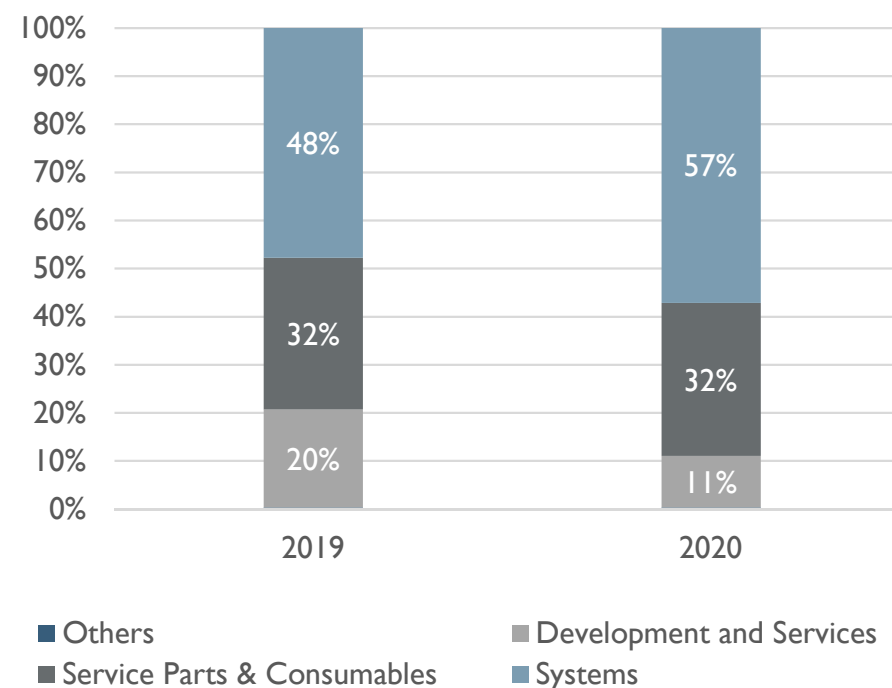
FINANCIALS

SALES BY OPERATING DIVISIONS FY 2020

Sales in € million



In % of total sales



As of December 31

CER= Constant exchange rates

FINANCIAL REVIEW

SEGMENT PERFORMANCE FY 2020

Instrumentation

€ 000s	FY 2020	FY 2019	Change	At CER
Sales	176,517	154,442	+14.3%	+16.4%
Adj. EBIT	28,277	22,151	+27.7%	
Adj. EBIT margin	16.0%	14.3%	+170 bps	

- High additional demand due to pandemic but significantly lower recognition of development & services sales
- Adverse margin effect from stock appreciation rights

Smart Consumables

€ 000s	FY 2020	FY 2019	Change	At CER
Sales	17,103	16,835	+1.6%	+2.5%
Adjusted EBIT	-1,183	-1,245	nm	
Adj. EBIT margin	-6.9%	-7.4%	+50 bps	

- Ongoing high level of advance expenses for numerous development projects and high share of low-margin development sales

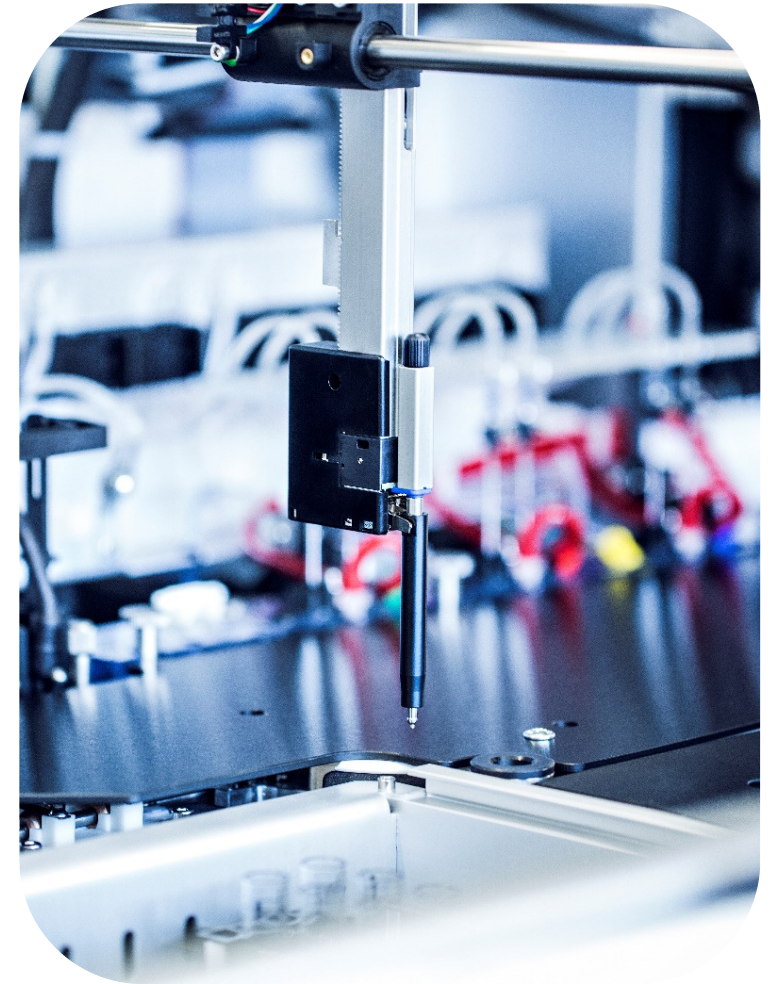
Diatron

€ 000s	FY 2020	FY 2019	Change	At CER
Sales	56,479	42,880	+31.7%	+32.0%
Adj. EBIT	14,619	8,353	+75.0%	
Adj. EBIT margin	25.9%	19.5%	+640 bps	

- Strong growth with molecular and veterinary diagnostics products
- Scale effects and strong product mix

CER = Constant exchange rates

OUTLOOK AND STRATEGY



OUTLOOK AND STRATEGY

UPDATE COVID-19 PANDEMIC

Several STRATEC customers are at the forefront of containing the COVID-19 pandemic

- Significant proportion of genetic COVID-19 testing is performed on systems developed and manufactured by STRATEC
- Additional demands for immunoassay solutions due to antibody screening and lab-based antigen tests
- Still unprecedented demand levels and strong order trends → strong business performance expected for H1 2021

Various factors set to influence H2 2021 demand levels:

- Magnitude of replacement potential triggered by elevated utilization levels of installed base
- Uplift of serological and other testing (e.g. full respiratory panels)
- Overall testing volumes and penetration of genetic versus rapid antigen tests
- Impact of significant expanded installed base on Service parts & Consumables business
- Catch up potential of non-COVID-related product lines

Expected longer-term dynamics:

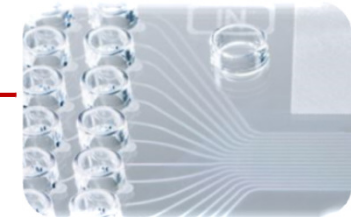
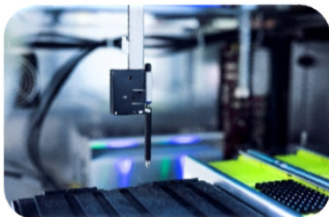
- Improved perception of IVD methods and further increase in STRATEC brand awareness
- Allocation of research budgets into infectious diseases
- Renaissance of decentralized testing capacities (more testing again in hospitals)
- Increased and sustainable public investments in healthcare infrastructures
- Sustainable additional testing demand (e.g. Long COVID, respiratory panels, other screening tests)

OUTLOOK AND STRATEGY

FINANCIAL GUIDANCE FOR FISCAL YEAR 2021¹

- Constant-currency sales growth in at least a high single-digit percentage range
- Adjusted EBIT margin of around 17.5% to 18.5% (2020: 16.7%)
- Investments in tangible and intangible assets combined of around 6.0% to 8.0% of sales

¹ Due to the COVID-19 pandemic, STRATEC continues to observe higher volatility in its customers' order behavior. In the first quarter of 2021, the company witnessed an overall rise in order forecasts for the second half of 2021. Due to the additional forecasting uncertainty resulting from the pandemic, however, the higher order forecasts for the fourth quarter of 2021 in particular are still not incorporated in the above financial guidance.



OUTLOOK AND STRATEGY

STRATEGIC PRIORITIES

- Focus on high growth areas and segments
- Boost expertise and technology portfolio

Enable customers and STRATEC to grow above market average

Expand product/value offering

- Organically and via M&A transactions
- Without entering into competition to partners

- Utilize tailwind from increasing complexity
- Expand smart consumables business

Increase proportion of recurring revenues

Drive customer diversification

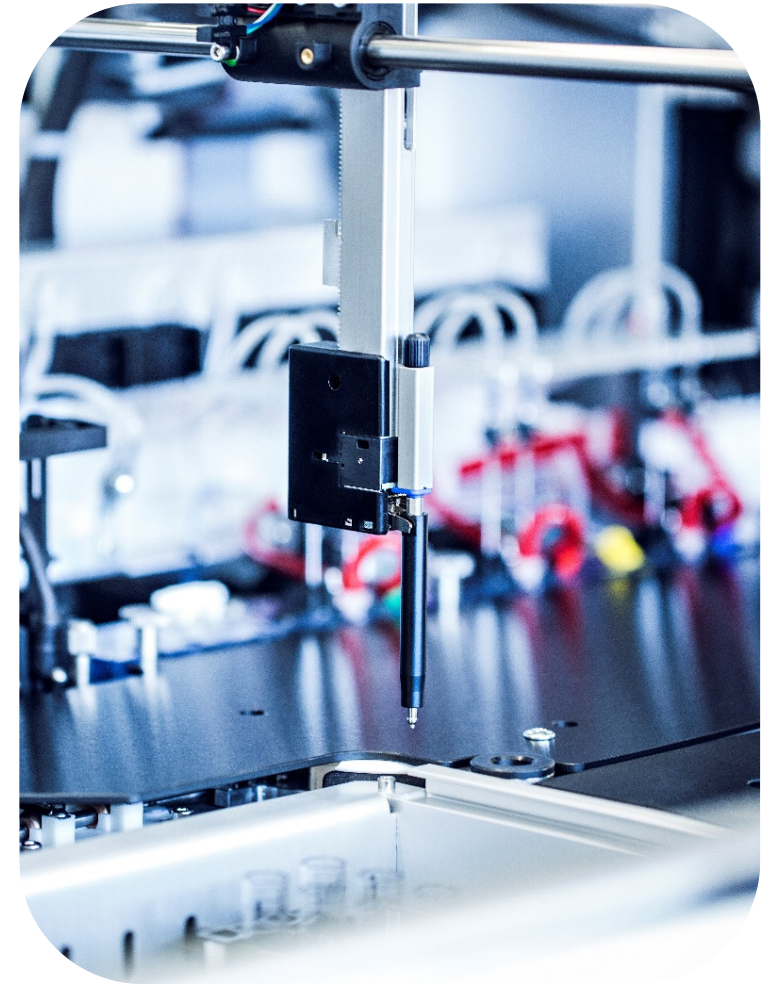
- Utilize extended platform offering
- Extend components business
- New markets (e.g. veterinary, translational research)

OUTLOOK AND STRATEGY

SELECTION OF ESG TOPICS AND LATEST ACHIEVEMENTS

- Challenges of COVID-19 pandemic successfully managed
 - Employee health top priority (new shift system, extended options for remote working, increased working hours flexibility, early and strict travel restrictions)
 - Business continuity (supply chain, production, logistics, development and business operations)
- Strong commitment to combat climate change
 - Science based reduction target (SBT) in line with Paris agreement to limit global warming to less than 2.0°C
→ **30% absolute reduction of scope 1 and 2 emissions by 2030 (versus 2019)**
 - Expanded disclosure: Scope 3 emissions to be reported from 2020 onwards
 - Compensation of unavoidable Scope 1 and 2 emission (certified emission reduction projects)
- Employer attractiveness and talent management
 - Further employee surveys conducted in 2020
 - Roll-out of new group-wide talent development program
- New ESG initiatives
 - E.g. new waste reduction program initiated in 2020

APPENDIX



APPENDIX

KEY FIGURES AT A GLANCE¹

IFRS (€ million)	2016	2017	2018	2019 ³	2020
Sales	184.9	207.5	187.8	214.2	250.1
Adjusted EBIT	32.2	36.4	26.2	29.3	41.7
Adjusted EBIT margin (%)	17.4	17.5	13.9	13.7	16.7
Adjusted Consolidated net income ²	25.3	28.9	20.2	24.1	35.2
Adjusted Earnings per share (€) ²	2.14	2.43	1.70	2.01	2.92
Dividend per share (€)	0.77	0.80	0.82	0.84	0.90*
No. of employees	976	1,086	1,228	1,302	1,319
Total assets	258	264	275	299	332
Equity ratio (%)	55.7	59.8	55.3	53.1	52.0
Free cash flow	-70.4	14.4	1.2	-6.4	10.0

¹ Figures adjusted for comparison; adjusted for depreciation and amortization from purchase price allocation for acquisitions, related integration expenses and other extraordinary effects. Reconciliation to IFRS figures can be found in the respective annual report.

² From continuing operations

³ Retrospectively adjusted to account for the recognition of the Data Solutions business unit as a discontinued operation pursuant to IFRS 5.

*Subject to approval by AGM 2021

APPENDIX

ADJUSTMENTS

EBIT

€ 000s	Q1 2021	Q1 2020
Adjusted EBIT	16,045	7,658
Adjustments:		
PPA amortization	-1,917	-2,062
EBIT	14,128	5,596

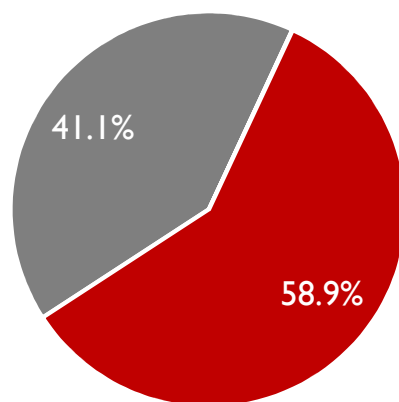
Consolidated net income

€ 000s	Q1 2021	Q1 2020 ¹
Adjusted consolidated net income	13,147	6,246
Adjusted earnings per share in € (basic)	1.09	0.52
Adjustments:		
PPA amortization	-1,917	-2,062
Taxes on income	319	320
Consolidated net income	11,549	4,503
Earnings per share in € (basic)	0.95	0.37

¹ Results from continuing operations

SHAREHOLDER STRUCTURE

(AS OF: JUNE 2020)



■ Fixed and family ownership
(incl. their investment companies)

■ Free float

Institutional investors > 3%:

Allianz Global Investors

Ameriprise Financial

Juno Investment Partners

SHARE

IPO	Aug. 1998
Number of shares	12,102,945
Share price (05/21/2021)	€ 114.60
Market capitalization	€ 1.4 billion

CONTACT

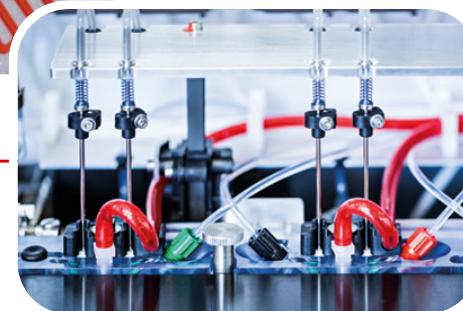
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THANK YOU
FOR YOUR
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